

BUSINESS REPORT

**MONTANA HOUSE OF REPRESENTATIVES
62nd LEGISLATURE - REGULAR SESSION**

HOUSE TAXATION COMMITTEE

Date: Friday, February 18, 2011
Place: Capitol

Time: 9:00 A.M.
Room: 152

BILLS and RESOLUTIONS HEARD:

HB 463 - Revise property tax reappraisal process by specifying burden of proof on value
SB 11 - Reduce withholding tax rate for lottery winnings
SB 12 - Repeal obsolete business equipment property tax reimbursement

EXECUTIVE ACTION TAKEN:

HB 168 (Tabled)
HB 333 (DPAA)
HB 357 (P)
HB 358 (P)
HB 460 (DPAA)

Comments:



REP. Mark Blasdel, Chair

HOUSE OF REPRESENTATIVES

ROLL CALL

TAXATION COMMITTEE

DATE: 2/18/11

<u>NAMES</u>	<u>PRESENT</u>	<u>ABSENT/EXCUSED</u>
Vice Chair Mike Miller	✓	
Rep. Dick Barrett	✓	
Rep. Alan Hale	✓	
Rep. Lee Randall		✓
Rep. Mike Phillips	✓	
Rep. Steve Lavin	✓	
Rep. Austin Knudsen	✓	
Rep. Edie McClafferty		✓
Rep. Max Yates	✓	
Rep. Janna Taylor	✓	
Rep. Sue Malek	✓	
Rep. Brian Hoven	✓	
Rep. Mary McNally	✓	
Rep. Steve Fitzpatrick		✓
Rep. Kelly Flynn	✓	
Rep. Kathleen Williams		✓
Rep. Jerry O'Neil	✓	
Rep. Wayne Stahl	✓	
Chairman Mark Blasdel	✓	

BILL TABLED NOTICE

HOUSE TAXATION COMMITTEE

The HOUSE TAXATION COMMITTEE TABLED HB 168 - Provide military income tax exemptions, by motion, on Friday, February 18, 2011.

Lisa M. Adams
(For the Committee)

jbn
(For the Chief Clerk of the House)

2120 , 2/18/11
(Time) (Date)

February 18, 2011

Lisa Adams, Secretary

Phone: 4745



HOUSE STANDING COMMITTEE REPORT

February 18, 2011

Page 1 of 3

Mr. Speaker:

We, your committee on **Taxation** recommend that **House Bill 333** (first reading copy -- white) do pass as amended.

Signed: _____

Representative Mark Blasdel, Chair

And, that such amendments read:

1. Title, page 1, line 7.

Following: "PROPERTY;"

Insert: "ESTABLISHING REQUIREMENTS FOR INCLUDING THE SALES IN THE COMPARABLE SALES METHOD;"

Strike: "SECTION"

Insert: "SECTIONS 15-7-307 AND"

2. Page 1.

Following: line 11

Insert: "**Section 1.** Section 15-7-307, MCA, is amended to read:

"**15-7-307. Certificate -- exceptions.** The certificate required by this part applies to all transfers. However, the certificate filed for the following transfers need not disclose the consideration paid or to be paid for the real estate transferred:

- (1) an instrument recorded prior to July 1, 1975;
- (2) the sale of agricultural land when the land is used for agricultural purposes;
- (3) the sale of timberland when the land is used for producing timber;
- (4) a transfer by the United States, this state, or any instrumentality, agency, or subdivision of the United States or this state;
- (5) an instrument that (without added consideration) confirms, corrects, modifies, or supplements a previously recorded instrument;
- (6) a transfer pursuant to a court decree;

Committee Vote:

Yes 13, No 6

Fiscal Note Required ☐

HB0333001SC.hgh

*lpm
2/18*

(7) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships, or other business entities;

(8) a transfer by a subsidiary corporation to its parent corporation without actual consideration or in sole consideration of the cancellation or surrender of subsidiary stock;

(9) a transfer of decedents' estates;

(10) a transfer of a gift;

(11) a transfer between husband and wife or parent and child with only nominal actual consideration for the transfer;

(12) an instrument the effect of which is to transfer the property to the same party or parties;

(13) a sale for delinquent taxes or assessments, sheriff's sale, or a sale pursuant to a bankruptcy action court order, or mortgage foreclosure;

(14) a transfer made in contemplation of death."

Renumber: subsequent sections

3. Page 1, line 24 through line 27.

Strike: subsection (d) in its entirety

Insert: "(d) (i) Except as provided in subsection (2)(d)(ii), if the department uses comparable sales as one approximation of market value and if sufficient, relevant information is available on sales of residential properties that have been sold as real estate owned or short sales, the department shall include the sales in the comparable sales method to appraise residential property if the sales constitute more than 5% of the sales of residential property in a specific market area. For the purpose of this subsection (2)(d), real estate owned and short sales include:

(A) a sale by a financial institution because of foreclosure of the property for nonpayment of mortgage if disclosure of the trustee's sale is made, together with the sale price, on the realty transfer certificate pursuant to 15-7-305;

(B) a sale by the owner of the property at an auction that is held for nonpayment of mortgage if:

(I) the auction is advertised and the advertisement includes a statement that the seller has a minimum bid or the right of refusal of all bids. The advertisement must be published in a newspaper that meets the requirements of 7-1-2121 at least three times before the auction, with at least 6 days separating publications.

(II) disclosure of the auction sale is made, together with the sale price, on the realty transfer certificate pursuant to 15-7-305;

(C) a short sale of the property if:

(I) the short sale is made for nonpayment of mortgage;

(II) the short sale is disclosed as a short sale in the listing with a realty company;

(III) disclosure of the short sale is made, together with the sale price, on the realty transfer certificate pursuant to

15-7-305; and

(IV) the short sale by the owner of the property is verified by the department.

(ii) The following sales of residential property may not be included in the comparable sales method to value residential property:

(A) sales of vandalized property;

(B) forced sales by a sheriff, receiver, or other court officer as the result of a court order;

(C) a real estate owned sale not included in subsection (2)(d)(i)."

- END -



HOUSE STANDING COMMITTEE REPORT

February 18, 2011

Page 1 of 1

Mr. Speaker:

We, your committee on **Taxation** recommend that **House Bill 357** (first reading copy -- white) **do pass.**

Signed: _____

Representative Mark Blasdel, Chair

- END -

Committee Vote:

Yes 11, No 7

Fiscal Note Required ☐

HB0357001SC.hgh

Handwritten initials and date:
2/18/11
12:00 PM



HOUSE STANDING COMMITTEE REPORT

February 18, 2011

Page 1 of 1

Mr. Speaker:

We, your committee on **Taxation** recommend that **House Bill 358** (first reading copy -- white) **do pass.**

Signed: *Mark Blasdel*
Representative Mark Blasdel, Chair

- END -

Committee Vote:

Yes 12, No 6

Fiscal Note Required ☐

HB0358001SC.hgh

Handwritten signature/initials



HOUSE STANDING COMMITTEE REPORT

February 18, 2011

Page 1 of 1

Mr. Speaker:

We, your committee on **Taxation** recommend that **House Bill 460** (first reading copy -- white) **do pass as amended.**

Signed: _____

Representative Mark Bladel, Chair

And, that such amendments read:

1. Title, page 1, line 6.

Strike: "DOES NOT"

Insert: "MAY"

2. Page 5, line 22.

Strike: "inapplicability to"

Insert: "optional declaration for"

3. Page 5, line 27.

Following: "(2)"

Insert: "A declaration for a townhome or townhouse may be executed under this section."

Strike: "do not"

Following: "townhouses"

Insert: "only if a declaration is executed under this section."

- END -

Committee Vote:

Yes 19, No 0

Fiscal Note Required ☐

HB0460001SC.hgh

Handwritten signature and date:
2/18/11
1PM

HOUSE OF REPRESENTATIVES

Roll Call Vote

TAXATION COMMITTEE

DATE: 2/18/11 BILL NO. 168 MOTION
NO. _____
MOTION: Do Pass

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>PROXY*</u>
Vice Chairman Mike Miller	✓		
Rep. Dick Barrett		✓	
Rep. Alan Hale		✓	
Rep. Lee Randall	✓		✓
Rep. Mike Phillips		✓	
Rep. Steve Lavin	✓		
Rep. Austin Knudsen	✓		
Rep. Edie McClafferty		✓	✓
Rep. Max Yates	✓		
Rep. Janna Taylor	✓		
Rep. Sue Malek		✓	
Rep. Brian Hoven		✓	
Rep. Mary McNally		✓	
Rep. Steve Fitzpatrick		✓	
Rep. Kelly Flynn		✓	
Rep. Kathleen Williams		✓	
Rep. Jerry O'Neil		✓	
Rep. Wayne Stahl	✓		
Chairman Mark Blasdel		✓	

*If Proxy Vote, include signed Proxy Form with minutes

HOUSE OF REPRESENTATIVES

Roll Call Vote

TAXATION COMMITTEE

DATE: 2/18/11 BILL NO. 333 MOTION
NO. _____

MOTION: Substitute motion to Amend
HBO 33302. a.k. strike 20% replace it
with 5%

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>PROXY*</u>
Vice Chairman Mike Miller	✓		
Rep. Dick Barrett		✓	
Rep. Alan Hale	✓		
Rep. Lee Randall	✓		✓
Rep. Mike Phillips		✓	
Rep. Steve Lavin	✓		
Rep. Austin Knudsen	✓		
Rep. Edie McClafferty		✓	✓
Rep. Max Yates	✓		
Rep. Janna Taylor	✓		
Rep. Sue Malek		✓	
Rep. Brian Hoven	✓		
Rep. Mary McNally		✓	
Rep. Steve Fitzpatrick	✓		
Rep. Kelly Flynn	✓		
Rep. Kathleen Williams		✓	
Rep. Jerry O'Neil	✓		
Rep. Wayne Stahl	✓		
Chairman Mark Blasdel	✓		

*If Proxy Vote, include signed Proxy Form with minutes

13

HOUSE OF REPRESENTATIVES

Roll Call Vote

TAXATION COMMITTEE

DATE: 2/18/11 BILL NO. 333 MOTION
NO. _____

MOTION: Do Pass As Amended H6033302.akj

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>PROXY*</u>
Vice Chairman Mike Miller	✓		
Rep. Dick Barrett		✓	
Rep. Alan Hale	✓		
Rep. Lee Randall	✓		✓
Rep. Mike Phillips		✓	
Rep. Steve Lavin	✓		
Rep. Austin Knudsen	✓		
Rep. Edie McClafferty		✓	✓
Rep. Max Yates	✓		
Rep. Janna Taylor	✓		
Rep. Sue Malek		✓	
Rep. Brian Hoven	✓		
Rep. Mary McNally		✓	
Rep. Steve Fitzpatrick	✓		
Rep. Kelly Flynn	✓		
Rep. Kathleen Williams		✓	
Rep. Jerry O'Neil	✓		
Rep. Wayne Stahl	✓		
Chairman Mark Blasdel	✓		

*If Proxy Vote, include signed Proxy Form with minutes

HOUSE OF REPRESENTATIVES

Roll Call Vote

TAXATION COMMITTEE

DATE: 2/18/11 BILL NO. 357 MOTION
NO. _____
MOTION: DO Pass

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>PROXY*</u>
Vice Chairman Mike Miller	✓		
Rep. Dick Barrett		✓	
Rep. Alan Hale	✓		
Rep. Lee Randall	✓		✓
Rep. Mike Phillips		✓	
Rep. Steve Lavin	✓		
Rep. Austin Knudsen	✓		
Rep. Edie McClafferty			
Rep. Max Yates	✓		
Rep. Janna Taylor	✓		
Rep. Sue Malek		✓	
Rep. Brian Hoven		✓	
Rep. Mary McNally		✓	
Rep. Steve Fitzpatrick		✓	
Rep. Kelly Flynn	✓		
Rep. Kathleen Williams		✓	
Rep. Jerry O'Neil	✓		
Rep. Wayne Stahl	✓		
Chairman Mark Blasdel	✓		

*If Proxy Vote, include signed Proxy Form with minutes

HOUSE OF REPRESENTATIVES

Roll Call Vote

TAXATION COMMITTEE

DATE: 2/18/11 BILL NO. 358 MOTION

NO. _____

MOTION: Do Pass

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	<u>PROXY*</u>
Vice Chairman Mike Miller	✓		
Rep. Dick Barrett		✓	
Rep. Alan Hale		✓	
Rep. Lee Randall	✓		✓
Rep. Mike Phillips		✓	
Rep. Steve Lavin	✓		
Rep. Austin Knudsen	✓		
Rep. Edie McClafferty			
Rep. Max Yates	✓		
Rep. Janna Taylor	✓		
Rep. Sue Malek		✓	
Rep. Brian Hoven	✓		
Rep. Mary McNally		✓	
Rep. Steve Fitzpatrick	✓		
Rep. Kelly Flynn	✓		
Rep. Kathleen Williams		✓	
Rep. Jerry O'Neil	✓		
Rep. Wayne Stahl	✓		
Chairman Mark Blasdel	✓		

*If Proxy Vote, include signed Proxy Form with minutes

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12 6

AUTHORIZED COMMITTEE PROXY

I request to be excused from the House Tx

Committee because of other commitments. I desire to leave my proxy vote with:

Vice Chair Miller

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
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	HB168	X	
Amend	HB033301akj	X	
Amend	HB033302akj	X	
Sub Amend	HB033302akj	X	
	HB 333	X	
	HB 357	X	
	HB 358	X	
Amend	HB46001akj	X	
	HB460	X	

Rep. [Signature]
(Signature)

Date 2/18/2011

AUTHORIZED COMMITTEE PROXY

I request to be excused from the TAX COMMITTEE

Committee because of other commitments. I desire to leave my proxy vote with:

DICK BARRETT

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

BILL/AMENDMENT

AYE NO

HB 128		X
HB 333 Amend	X	
HB 333 Amend	X	
HB 333		X
HB 460 Amend	X	
HB 460	X	

Rep. Edmund McChaffey
(Signature)

Date 2/18/11

Montana House of Representatives Witness Statement

TAXATION COMMITTEE

PLEASE PRINT

NAME: KATHRYN JOHNSON

BUDGET: ?

ADDRESS: 31549 MEADOW RD
POLSON, MT 59860

DATE: 2/19/10

WHOM DO YOU REPRESENT? SELF - NO SPECIAL INTEREST
GROUP

SUPPORT: X OPPOSE: _____ AMEND: _____

COMMENTS: HB 463

THIS IS A STEP IN THE RIGHT
DIRECTION TOWARD FAIRNESS TO PROPERTY
OWNERS.

MANY ELDERLY PROPERTY OWNERS DO NOT
HAVE RESOURCES & KNOWLEDGE TO APPEAL
UNFAIR, UNREASONABLE ASSESSMENTS. PROPERTY
OWNERSHIP IS A KEY RIGHT IN THE CONSTITUTION.

THE BURDEN OF PROOF MUST NOT BE ON
PROPERTY OWNERS.

MONTANA House of Representatives
Visitors Register
HOUSE TAXATION COMMITTEE

Friday, February 18, 2011

SB 11 - Reduce withholding tax rate for lottery winnings

Sponsor: Senator Ron Erickson

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives
Visitors Register
HOUSE TAXATION COMMITTEE

Friday, February 18, 2011

SB 12 - Repeal obsolete business equipment property tax reimbursement

Sponsor: Senator Ron Erickson

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

HOUSE TAXATION COMMITTEE

Friday, February 18, 2011

HB 463 - Revise property tax reappraisal process by specifying burden of proof on value

Sponsor: Representative Scott Reichner

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.